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## 36th Annual Report

STATE BOARD OF HAIL  
INSURANCE

To Montana Grain Growers



## 1952 BUSINESS SUMMARY

Total Risk Written .....	\$3,500,317.26
Premium Charge .....	\$ 290,960.03
Losses Paid .....	\$ 100,335.65
Policies Issued (618 paid cash) .....	1,518
Loss Claims Filed .....	136
Total Acres Insured .....	375,541
Acres Reported Damaged .....	32,298
Average Acres Insured Per Policy ....	247
Number of Days With Hail .....	29
Loss Ratio .....	2.9%
Aver. Cost \$1,000.00 of Protection \$ ..	83.13
Average Cost of Insurance .....	8.3%
Operating Expense Ratio .....	6.6%

**RESERVE FUND.** This has now reached \$900,000.00. It is invested in U.S. Treasury Notes. In 1952 the fund earned \$11,000.00 interest and in 1953 the interest will amount to \$20,000.00. This will nearly equal the amount of the operating expenses of the department. This means that practically all of the money paid for hail insurance may be used for payment of current or future losses.

In addition to the \$900,000.00 held in the reserve fund the state treasurer holds a balance of \$100,000.00 in the hail insurance fund. This makes the total assets of the hail insurance fund amount to \$1,000,000.00.

**FARMERS MAY CARRY MORE HAIL INSURANCE PER ACRE IN 1953.** In recent years many farmers have been asking for more hail insurance per acre. They claimed that in many cases where crops were destroyed by hail, the maximum loss payment received did not give them ample funds for the next year's farm expenses. The legislature amended the hail insurance laws to provide for more hail insurance per acre. The new limits are shown on page 6 of this report.

Grain growers should read this report carefully for full information on State Hail Insurance. How To Obtain It Is Explained On Page 6.

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APR 9 1957

Honorable Hugo J. Aronson, Governor  
State of Montana,  
Helena, Montana.

Hail Fund preliminary report on 1952 operations.

Dear Governor:

It will be some time before I can report on all of the important details for 1952, so I am sending you a partial report now on what I think may be of interest to you.

#### 1952 BUSINESS SUMMARY

Total Hail Insurance written .....	\$3,500,317.00
Premium charge .....	\$ 290,960.00
Policies issued (618 paid in cash) .....	1,518
Losses paid .....	\$ 100,335.00
Number of days with hail .....	29
Loss ratio .....	2.9%
Average cost of insurance (all crops) .....	8.3%
Operating expense ratio .....	6.6%

Financially, it was a very successful year for the hail fund as the losses were very light. Due to the very dry spring and continued dry weather in most of the spring wheat area during the early summer, the demand for hail insurance was less than usual. The volume written was 30% less than the average of the previous ten years. The reduced amount of insurance written did not materially effect the department except that it increased the percentage of operating costs above that of other years when a bigger volume of insurance was written.

As you noted above, the losses were only a little over \$100,000.00. This figure is less than one-third of the average amount paid on losses annually in the previous ten years. Only one year (1950) had a lower loss ratio.

Collections for 1952 were good but I can't give you the exact results yet as some counties have not sent in full reports yet. 99.8% of the premiums were paid for 1948, the same for 1949, 99.7% for 1950 and 99.3% for 1951. It looks like the payments for 1952 will be about the same. The final loss on these delinquent accounts will be quite small as some of them are charged to real estate and are sure of being paid later.

Our reserve fund has now reached \$900,000.00. It is invested in U. S. Treasury Notes. In 1952 it earned \$11,000.00 interest. For 1953, interest earned will be \$20,000.00. The interest will approximately equal the operating expense so that all of the money paid by the farmers for their hail insurance may be held for the payment of current or future hail losses.

In addition to the \$900,000.00 in the reserve fund, the State Treasurer holds a little over \$100,000.00 in hail insurance fund. This runs the total assets of the hail fund to a little over \$1,000,000.00.

Remembering the previous disastrous hail years experienced by the department, the board continued to levy the maximum rates during the last four years while the losses continued below the average. If the 1953 losses are again light, the board will no doubt levy reduced rates. If the losses turn out bad, we will be happy to have such a substantial reserve fund to assure prompt payment of the losses.

Our board has been considering some amendments to the Hail Laws. These will be submitted to the Legislature soon for their consideration. Briefly, these will recommend an increase in the amount of insurance per acre, clarify and strengthen the crop lien provisions and add a 'Penalty for Violation' section.

For several years, some of the farmers have been asking for more hail insurance per acre. At present the insurance per acre on non-irrigated grain is limited to ten dollars (\$10.00) per acre, with irrigated grain limited to twenty dollars (\$20.00). We believe these limits may be safely increased to twelve dollars (\$12.00) and twenty-four dollars (\$24.00). The object of the Hail Insurance Fund is to provide the grain growers who lose their crops by hail, with an ample working fund with which to continue their farming operations for another year. They claim the present limits are not ample because of their increased operating costs. Their contention seems well founded and we believe an increase of the limits to twelve dollars (\$12.00) and twenty-four dollars (\$24.00) will be timely.

As soon as our full report is completed, I will send you a copy. If you desire further information or explanation on the proposed amendments, or on any phase of our department operations, I will do my best to furnish you the information you desire.


Respectfull submitted for the

STATE BOARD OF HAIL INSURANCE,

*E. K Bowman.*

Chairman

January 16, 1953.



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# DETAIL STATEMENT—RISK, LEVY, LOSSES, LOSS RATIO

County	1952 Risk	1952 Levy	1952 Losses	1952 Loss Ratio	34 Year Loss Ratio
Big Horn .....	\$ 418,048.80	\$ 39,346.47	\$ 28,153.75	7%	8%
Blaine .....	50,557.50	3,493.57	329.18	1	4
Broadwater .....	7,320.00	435.22	.....	.....	3
Carbon .....	2,800.00	168.00	.....	.....	3
Carter .....	46,490.00	3,647.52	5,625.00	12	10
Cascade .....	79,728.85	5,535.27	.....	.....	3
Chouteau .....	375,406.95	25,704.58	5,245.70	1	3
Custer .....	4,320.00	391.80	.....	.....	6
Daniels .....	169,258.00	15,045.41	3,752.00	2	4
Dawson .....	94,378.32	8,830.18	2,709.30	3	13
Fallon .....	25,740.00	2,600.60	2,472.55	10	10
Fergus .....	228,010.00	19,940.71	556.87	.....	7
Flathead .....	.....	.....	.....	.....	4
Gallatin .....	2,320.00	162.40	.....	.....	8
Garfield .....	12,500.00	1,063.25	.....	.....	7
Glacier .....	19,750.00	1,395.57	.....	.....	3
Golden Valley .....	67,552.50	6,700.41	.....	.....	10
Granite .....	2,846.00	123.70	.....	.....	5
Hill .....	170,296.00	10,127.07	12,273.53	7	4
Jefferson .....	2,080.00	182.59	.....	.....	2
Judith Basin .....	37,299.40	2,890.71	2,322.28	6	6
Lewis and Clark .....	1,000.00	38.40	.....	.....	4
Liberty .....	202,344.50	11,867.39	9,902.84	5	3
Madison .....	.....	.....	.....	.....	4
McCone .....	414,859.50	40,954.95	16,404.14	4	8
Meagher .....	.....	.....	.....	.....	11
Musselshell .....	40,868.00	4,115.08	2,130.00	5	13
Park .....	.....	.....	.....	.....	12
Petroleum .....	1,400.00	126.00	.....	.....	6
Phillips .....	56,148.00	4,500.58	1,422.43	3	4
Pondera .....	64,543.80	4,439.95	492.00	1	6
Powder River .....	107,815.88	9,615.71	2,534.80	2	8
Powell .....	.....	.....	.....	.....	1
Prairie .....	42,951.00	4,262.48	.....	.....	11
Ravalli .....	.....	.....	.....	.....	9
Richland .....	119,109.50	11,768.45	1,664.00	1	7
Roosevelt .....	90,591.51	7,059.33	114.20	.....	2
Rosebud .....	6,640.00	573.69	.....	.....	5
Sheridan .....	94,908.50	8,338.31	.....	.....	5
Stillwater .....	43,900.00	4,332.42	317.50	1	9
Sweet Grass .....	.....	.....	.....	.....	6
Teton .....	28,238.00	1,673.70	.....	.....	2
Toole .....	174,833.00	11,433.07	.....	.....	5
Treasure .....	28,527.32	2,935.34	.....	.....	14
Valley .....	58,581.00	4,684.00	1,913.58	3	4
Wheatland .....	22,865.00	2,259.94	.....	.....	10
Wibaux .....	13,212.43	1,301.87	.....	.....	7
Yellowstone .....	70,278.00	6,894.34	.....	.....	6
	\$3,500,317.26	\$290,960.03	\$100,335.65	2.9%	6.4%

## 34 YEAR SUMMARY 1919-1952, Inclusive

Total Risk Written .....	\$80,475,231.24
Premium Charge .....	6,781,239.52
Losses Paid .....	5,171,350.50
Policies Issued .....	57,271
Total Acres Insured .....	9,505,469
Average Acreage Per Policy .....	166
Average Risk Per Acre .....	8.47
Loss Ratio .....	6.4%
Average Cost Per \$1,000.00 of Insurance .....	84.26
Number of Losses Filed .....	12,662
Operating Expense Ratio .....	6.9%

## ADMINISTRATION ACCOUNT FOR 1952

January 1, 1952 to December 31, 1952, Inclusive

1. State office salaries and traveling expenses (Chairman, Clerk hire, Board members' per diem and expenses) ..... \$ 8,911.64
2. General office expense (printing, stationery, supplies, postage, telephone and telegraph, equipment, insurance, employees' bonds, advertising) ..... 2,785.41
3. Hail adjusters' per diem and expense ..... 7,204.98
4. Office rent ..... 300.00
5. Car maintenance ..... 142.69

\$19,344.72

## HOW TO GET STATE HAIL INSURANCE

### APPLY TO THE ASSESSOR OF THE COUNTY IN WHICH YOUR GRAIN IS GROWING

**Any Owner of Mortgaged Land With Not More Than One Year of Delinquent Tax** may secure hail insurance and have it charged to his land along with his other real estate taxes. His application containing a lien on his crop will be filed with the clerk and recorder.

**Any Owner of Unmortgaged Land With Not More Than One Year of Delinquent Tax** may secure hail insurance and have it charged to his land along with his other real estate taxes. The application (containing a hail lien) will be filed with the clerk and recorder.

**Any Tenant** desiring hail insurance may secure it by filing an application with his county assessor. It will be approved on a personal assessment basis and his application containing a lien on the crop will be filed with the county clerk and recorder.

**Any Tenant** who owes for delinquent hail insurance will not receive further hail insurance unless he pays cash for it or unless he pays the delinquent account.

**No hail insurance may be charged to any land without the owners consent. Also no hail insurance may be charged to any lands other than on which the crops to be insured are growing.**

**Hail insurance liens are a first lien on all insured crops except liens given for the purchase of seed used to plant the insured crop.**

**4% Discount Will Be Given Those Who Pay Cash for Their Hail Insurance.** For example, if the regular premium figures \$100 and the applicant offers cash for the hail insurance, the county assessor will receive \$96 as full payment.

**When To Insure.** Experience shows that placing hail insurance on growing crops should not be done until they show a reasonable chance of producing a fair return. **No allowance will be made for hail damage on any grain until at least 75% of the plants are plainly stemming.** Damage early in the hail season is difficult to estimate and adjustment may be delayed until the extent of the damage may be better estimated.

**No policies will be issued after August 15th.**

**How Much Hail Insurance Per Acre.** All non-irrigated grain may be insured for not more than \$12 except barley which is limited to \$10. Irrigated grain is limited to not more than \$24 except barley which is limited to \$20.

**Hail Insurance on Special Crops.** Not more than the amounts shown below may be carried per acre on the crops listed:

Irrigated beans, peas, sugar beets, potatoes, corn,  
mustard and alfalfa seed .....\$24.00

Non-irrigated mustard, beans, peas, alfalfa seed  
and corn .....\$12.00

Any hay crop, irrigated or non-irrigated .....\$12.00

This covers a total loss on one-cutting crop, or the equivalent of a total loss of one-cutting on crops producing more than one cutting per season.

**Hail Insurance for Shareholders.** If all shareholders in any crop desire hail insurance, each is limited in his share per acre in proportion to the share each owns of the whole crop. If other shareholders do not desire hail insurance, any shareholder may insure his share for the limit allowed per acre.

Farmers desiring hail insurance on **dry land beans, peas or mustard**, must apply on the same application for an equal amount of hail insurance on grain or flax, unless the premium is paid in cash or is charged to real estate.

**1953 Rates For Hail Insurance.** The rate has been decreased one per cent in Daniels and Sheridan counties following a few years of light losses. Carter county has been increased to ten per cent following severe losses in recent years. All other counties retain the same percentage rates. Full information on rates may be obtained from county assessors. Also they are shown on the backs of applications and policies, copies of which may be obtained from assessors.

**Reduced Rates In Case of Crop Failure.** When any insured crop is badly damaged or destroyed by other means than hail, the insured may request that the hail insurance be terminated and that he be allowed a reduced rate for the season. The charge for the hail insurance may then be reduced by the State Hail Insurance Board under the terms of paragraphs 16, 17A and 17B in the Stipulations and Agreements on the back of the policy.

**When to file claims for hail loss.** When any insured crop is believed to be damaged at least 5%, the insured must mail a claim for such loss to the State Board of Hail Insurance at Helena, Montana, within 3 days.

**When Not to File Loss Claims.** Each year a large number of loss claims are filed on fields where little or no damage by hail is found. Many of these fields show a small infestation of Hessian Fly where the infested straws lean over and sometimes go down full length. Hessian Flies have weakened the straws close to the ground and the damage is not caused by hail. Many other fields, following light hail storms, have been found to be lightly damaged by Crinkle Joint, Kinked heads or Wheat Stem Saw Flies. The damage, most times, has been overlooked until the light hail storm comes. More care in examining the fields before claiming hail loss will save your Hail Department hundreds of dollars each year.

**ADJUSTMENTS OF HAIL LOSSES** will be made by adjusters who have had lots of experience in farming and the adjusting of hail losses. Their experience enables them to estimate the loss accurately. They are instructed to give every claim careful consideration and they will fully cooperate with the grain growers in adjusting all losses.

**The Montana State Hail Insurance Fund Assets Are Now \$1,000,000.** It has been built up by Montana farmers who have voluntarily insured their crops against loss or damage by hail. The hail fund is fully self-sustaining and does not use any state of Montana funds. During 36 years of operation only 7% of the hail insurance money has been used for expenses. 93% of the money paid for hail insurance has been used for paying losses or is being held in the reserve fund to help pay future losses whenever needed.

**State Hail Insurance Expires After September 15 on Grain** and other crops, except sugar beets which expire after September 30. If weather, lack of maturity, or other causes prevent completion of harvest by September 15, the insured should apply to the State Board of Hail Insurance at Helena, on or before that date, for an extension of his hail insurance. If his reasons for delay are approved, his hail insurance will continue in full force until the harvest can be completed.

**Payments on State Hail Insurance losses may be assigned but are not subject to garnishee or attachment.** They are yours to use as you think best for the continuance of your farming operations.

